(b) Yes, Sir.

(c) and (d) The total requirement of coffee for consumption in the domestic marekt is estimated to be approximately 60,000 tonnes which constitutes 30 to 35 per cent of the total production in the country. 22,513 tonnes of coffee have been exported during the last three months. No significant rise in consumption has been noticed over the last three months over an approximate intake of 5,000 tonnes a month. In order to increase the domestic availability of coffee, the Government had put a quantitative restriction on export of coffee apart from banning a few grades till 31st December, 1994.

Changes in Vabal Scheme

891. SHRI GHUFRAN AZAM: Will the Minister of COMMERCE be pleased to state:

(a) whether Government have taken a decision to make changes in the Value Based Advance Licensing Scheme as an alternative to the IPRS;

(b) whether there is a likelihood of misuse of VABAL Scheme; and

(c) if so, the facts and details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) Yes, Sir. Government has announced an alternative scheme to enable the exporters of engineering products to obtain their iron and steel requirements from domestic producers at near international prices.

(b) No. Sir.

(c) does not arise.

Payment of CCS to PSUs.

892. SHRI GHUFRAN AZAM: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that Government has not yet cleared the payment of CCS amounts to the entitled Public Sector Undertakings due to financial constraints.

(b) whether Government have received appeals from the affected Public Sector Undertakings for early clearance of their dues on accounts of CCS;

(c) whether Government would take any decision thereon; and

(d) if so, the facts and details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) No, Sir.

(b) to (d) Do not arise.

Misuse of Vabal Scheme

893. SHRI CHIMANBHAI MEHTA:
SHRI G. G. SWELL:

Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that value Based Advance Licence Scheme overlooked a major aspect of the duty exemption scheme that duty rebate entitlement should not exceed what is applied for or what is consumed for export production;

(b) if so, what was and is the revenue loss and to what extent and how misuse occurred;

(c) whether corrective steps have been taken to remove the defects in the scheme;

(d) whether exporters are eligible to import any items of their preference against their export earning besides the items they use as inputs for their exports;

(e) whether exporters are allowed to transfer imported goods or indigenous goods with or without duty exemption; and

(f) whether Government inquired about exporters fulfilling export obligation and simultaneously having surplus of those inputs which are supposed to have been used for export obligation?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) The Value Based Advance Licence Scheme was intended to provide flexibility within the overall cif value of the lincence, for importation of the inputs allowed therein except the sensitive items. Therefore, under the Scheme, it was left to the licence holder to import all or any one of the inputs required for the manufacture of the exported product.

(b) Since the Scheme provides for flexibility, it would not be correct to presume that there is any loss of revenue.

(c) Fresh guideline have been issued on 1-3-95 which, while preserving the flexibility, will remove any scope for mis-use.

(d) No Sir.

(e) Under the VABAL Scheme, once the exporter fulfils his export obligation, he is allowed to transfer his licence or the imported goods.

(f) Due to flexibility provided under the Scheme, if the exporter decides to import only one input out of the non-sensitive items within the overall cif value, this could result in import of a quality greater than what actually was consumed in the exported product.

Restrictions on import of ensitive items under Vabal

SHRIMATI MIRA DAS:

SHRIMATI MIRA DAS:

Will the Minister of COMMERCE be pleased to state:

(a) whether under Value Based Advance Licence Scheme high tariff items categorised as sensitive items are restricted for import upto a limit;

(b) if so, whether this limit is arbitrary and liable to misuse;

(c) whether it is being considered by Government that when licences are transferred after fulfilment of export obligation, Modified Value Added Tax (MODVAT) availed on duty paid inputs used for exports should be expunged;

(d) the reasons for allowing exporters MODVAT credit beyond their requirements of inputs for exports; and

(e) on what consideration exporters are allowed to import items beyond their production requirement and then allowed to transfer them?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) Items categorised as sensitive items are restricted for import. Some are high tariff items some are low tariff items.

(b) No, Sir.

(c) Some representations have been received for reversal of MODVAT/ expunging of MODVAT filed by VABAL licence holders and the same are under consideration of Deptt. of Revenue.

(d) Central Excise Law permits MODVAT credit of duties paid on inputs to the extent required for the export product subject to certain conditions/limitations.

(e) Value Based Advance Licensing (VABAL) Scheme provides the flexibility for importation of inputs within the overall CIF value of a licence except the sensitive items. It is left to the licence to import one or any of the non-sensitive items allowed againts the VABAL. Accordingly, the imports under the VABAL need not necessarily be in accordance with the